

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 4, 2017

ANALYST: Carolina Mongeon

I. COMMITTEE:

Applegate for Congress

C00581595

Jane Leiderman, Treasurer (5/30/17 – Present)

Jennifer May, Treasurer (12/28/16 – 5/29/17)

Douglas Loren Applegate, Treasurer (7/20/15 – 12/27/16)

16633 Ventura Blvd., #1008

Encino, CA 91436

II. RELEVANT STATUTE:

52 U.S.C. § 30104(b)(4)

11 CFR § 104.3(b)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

The Applegate for Congress Committee (“the Committee”) amended its 2016 12 Day Pre-General Report to disclose additional disbursements of \$95,094.32, which were not disclosed in the original report. The Committee also amended its 2016 30 Day Post-General Report to disclose additional disbursements of \$278,435.82, which were not disclosed in the original report (Attachment 2).

2016 12 Day Pre-General Report

On October 27, 2016, the Committee filed the original 2016 12 Day Pre-General Report covering the period from October 1, 2016 through October 19, 2016. The report disclosed \$350,241.43 in disbursements on Line 17 (Operating Expenditures) and no disbursements on Line 20(a) (Refunds of Contributions to Individuals/Persons Other

Than Political Committees) of the Detailed Summary Page (Image 201610279036932333).

On March 17, 2017, the Committee filed an Amended 2016 12 Day Pre-General Report. The report disclosed \$442,115.76 in disbursements on Line 17 and \$3,219.99 in disbursements on Line 20(a), a total increase in disbursements of \$95,094.32 from the original report (Image 201703179050882529, Attachment 2).

On April 25, 2017, a Request for Additional Information (RAI) was sent to the Committee referencing the Amended 2016 12 Day Pre-General Report, received March 17, 2017. The RAI requested clarification regarding the substantial increase in disbursements disclosed in the Amended 2016 12 Day Pre-General Report (Image 201704250300085047).

2016 30 Day Post-General Report

On December 8, 2016, the Committee filed the original 2016 30 Day Post-General Report covering the period from October 20, 2016 through November 28, 2016. The report disclosed \$658,202.28 in disbursements on Line 17 (Operating Expenditures) and \$2,426.32 in disbursements on Line 20(a) (Refunds of Contributions to Individuals/Persons Other Than Political Committees) of the Detailed Summary Page (Image 201612089040557887).

On January 12, 2017, the Reports Analysis Division (RAD) Analyst spoke with Dan Redding, a Committee representative. Mr. Redding said that the compliance firm he worked for was recently hired by the Committee, and that the firm was in the process of conducting an internal audit. He said the Committee planned to submit amendments to correct its reports (Attachment 3).

On February 24, 2017, the Analyst spoke with Jennifer May, the Committee's Treasurer at the time. Ms. May stated that the compliance firm she worked for was having a difficult time obtaining documents and records. She said she anticipated filing amendments to the Committee's reports soon (Attachment 3).

On March 24, 2017, the Committee filed an Amended 2016 30 Day Post-General Report. The report disclosed \$933,396.10 in disbursements on Line 17 and \$5,668.32 in disbursements on Line 20(a), a total increase in disbursements of \$278,435.82 from the original report (Image 201703249051887497, Attachment 2).

On April 25, 2017, an RAI was sent to the Committee referencing the Amended 2016 30 Day Post-General Report, received March 24, 2017. The RAI requested clarification regarding the substantial increase in disbursements disclosed in the Amended 2016 30 Day Post-General Report (Image 201704250300085056).

On May 30, 2017, the Committee filed a Miscellaneous Electronic Submission ("FEC Form 99") in response to the RAI referencing the Amended 2016 12 Day Pre-

Applegate for Congress (C00581595)**2016 12 Day Pre-General Report/Amended 2016 12 Day Pre-General Report****Overview of Additional Disbursements**

Report Line	Original 2016 12 Day Pre- General Report (Image 201610279036 932333)	Amended 2016 12 Day Pre-General Report, Received 3/17/2017 (Image 20170317905088 2529)	Variance Amount
Line 17: Operating Expenditures	\$350,241.43	\$442,115.76	\$91,874.33
Line 20(a): Refunds of Contributions to Individuals/Persons Other Than Political Committees	\$0.00	\$3,219.99	\$3,219.99
		Total:	\$95,094.32

2016 30 Day Post-General Report/Amended 2016 30 Day Post-General Report**Overview of Additional Disbursements**

Report Line	Original 2016 30 Day Post- General Report (Image 201612089040 557887)	Amended 2016 30 Day Post-General Report, Received 3/24/2017 (Image 20170324905188749 7)	Variance Amount
Line 17: Operating Expenditures	\$658,202.28	\$933,396.10	\$275,193.82
Line 20(a): Refunds of Contributions to Individuals/Persons Other Than Political Committees	\$2,426.32	\$5,668.32	\$3,242.00
		Total:	\$278,435.82